

21 January 1956

Mr. Robert M. Macy, Chief  
International Organizations Division  
Bureau of the Budget  
Washington 25, D. C.

Dear Mr. Macy:

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With reference to your memoranda of 3 February and 7 February 1956 to Mr. Dulles, and in confirmation of our discussion of 20 February, the House Appropriations Committee has scheduled a Hearing for CIA's Fiscal Year 1957 Budget on 27 February 1956 and the Director is scheduled to brief the Senate Armed Services Subcommittee on the Central Intelligence Agency on 24 February 1956.

In prior years the House Appropriations Committee has usually asked the Director specifically whether he considered that he had adequate funds to accomplish his mission and whether he could profitably use more funds if they were appropriated. It is probable that such questions will be posed again this year, and in view of the fact that we have provided for a Contingency Reserve of only [ ] for Fiscal Year 1957 it is possible that the Committee may ask the Director if he thinks this is adequate. The Senate Armed Services Subcommittee may have similar questions.

In the event that questions along this line are asked we propose to say that funds requested for Fiscal Year 1957, including the [ ] for the Reserve, are considered to be adequate to cover emergencies for the coming year. With regard to the Reserve itself, however, we would propose to add that in view of present Soviet policy which stresses subversive political and economic types of action, and in view of our increasing emphasis on the application of technical and scientific means to the collection of intelligence involving substantial costs, it is probable that we may ask next year to have the level of the Reserve raised.

Sincerely,

/s/

L. E. White  
Deputy Director

DD/S:LKW:laq  
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